

**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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Orange County Transportation Authority: Charles Smith, Orange County

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Bill Davis, Simi Valley

Please Note Special Time & Location:

COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE

**Thursday, June 3, 2004
10:00 a.m. – 11:00 a.m.**

**TEMECULA CREEK INN
Building E - Kiva
44501 Rainbow Canyon Road
Temecula, CA 92592
909.694.1000**

Map & Agenda Enclosed

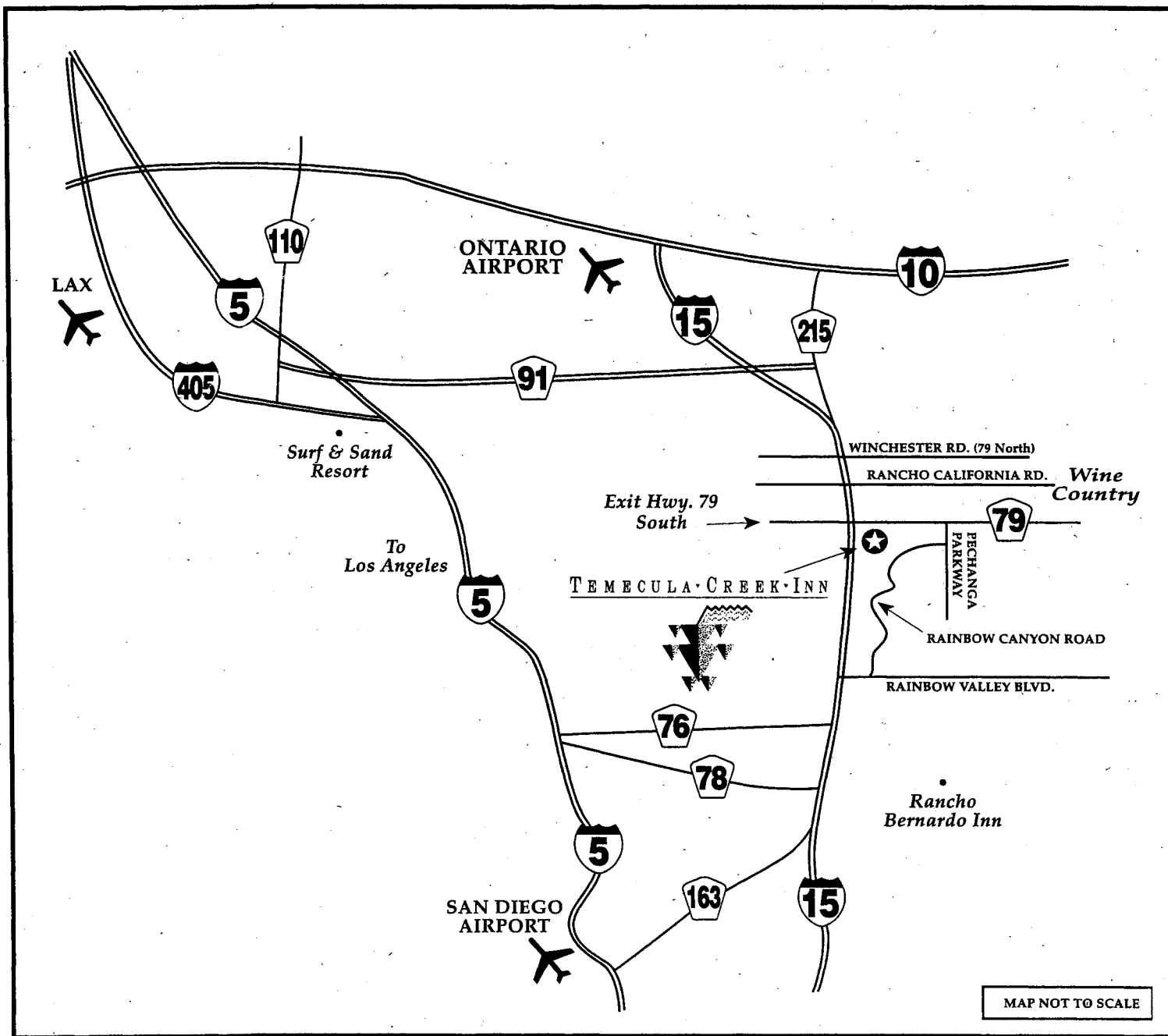
If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Jacob Lieb at 213.236.1921 or lieb@scag.ca.gov.

Agendas and Minutes for the Transportation and Communications Committee are also available at:

www.scag.ca.gov/committees/cehd.htm

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TEMECULA·CREEK·INN



FROM ONTARIO AIRPORT

(approximately 50 minutes)

Head west on Mission Boulevard to Euclid. Head north to I-10 East, take I-10 East to I-15 South.

FROM SAN DIEGO AIRPORT

(approximately 50 minutes)

Take Harbor Drive South to Grape Street. Head east to the top of the hill to I-5 South. Take I-5 South to Hwy 163 North, which turns into I-15 North.

FROM LOS ANGELES AIRPORT

(approximately 90 minutes)

Take 405 South to 110 North to 91 East to I-15 South.

FROM I-15 NORTH OR SOUTH

Exit Hwy 79 South (Indio). If you are heading South, turn left under the freeway. If you are heading North, turn right, off the freeway. Turn right onto Pechanga Parkway. Follow Pechanga Parkway two blocks to Rainbow Canyon Road, turn right into the Inn.

Dining

Temet Grill Restaurant	E
Tenet Bar	E
Snack Bar	D

Recreation

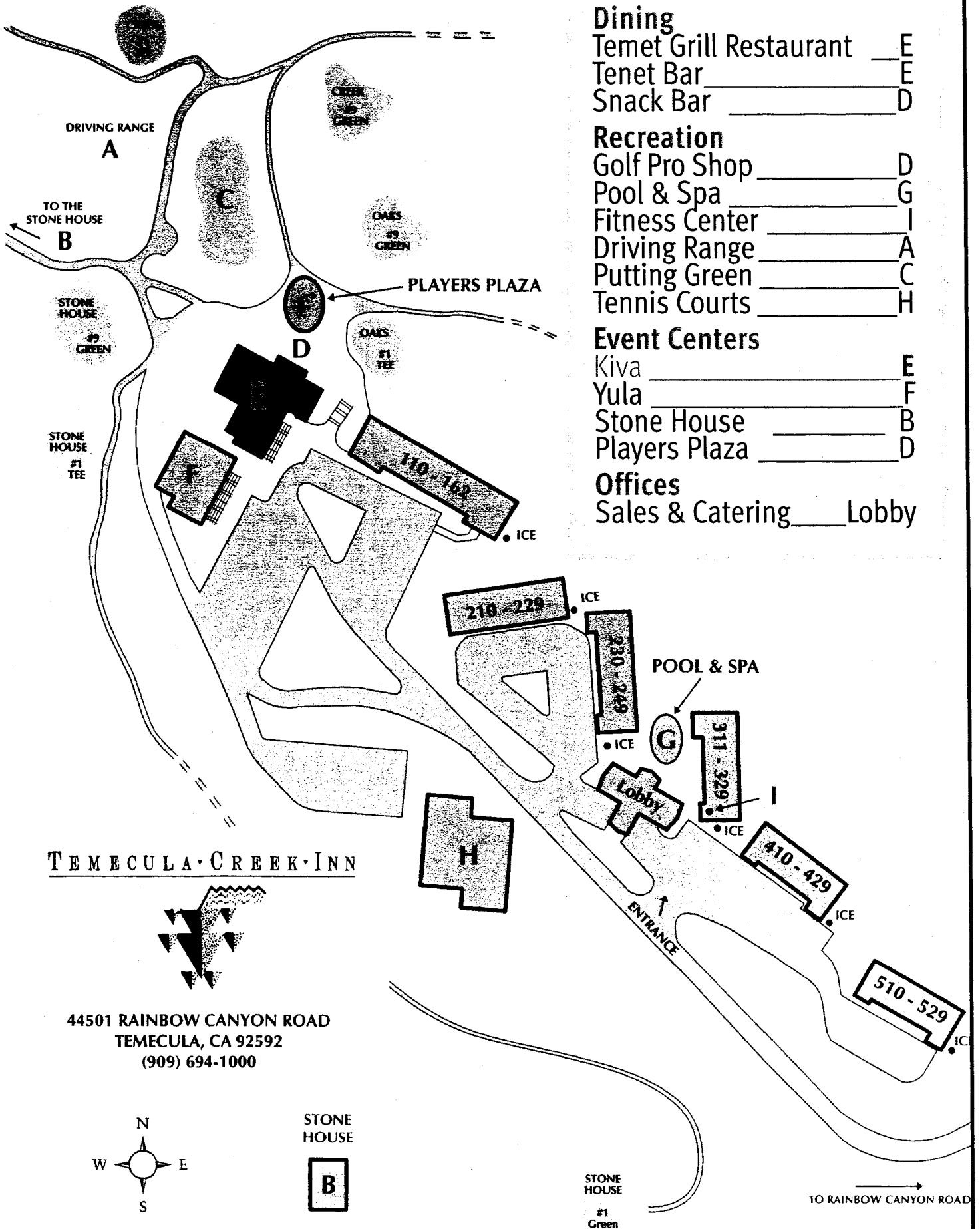
Golf Pro Shop	D
Pool & Spa	G
Fitness Center	I
Driving Range	A
Putting Green	C
Tennis Courts	H

Event Centers

Kiva	E
Yula	F
Stone House	B
Players Plaza	D

Offices

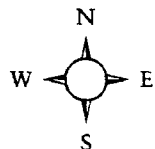
Sales & Catering	Lobby
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TEMECULA CREEK INN



44501 RAINBOW CANYON ROAD
TEMECULA, CA 92592
(909) 694-1000



STONE HOUSE



STONE HOUSE
#1 Green

COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE

AGENDA

	PAGE #	TIME
1.0 <u>ELECTION OF CHAIR AND VICE-CHAIR</u>		
2.0 <u>CALL TO ORDER</u>		
3.0 <u>PUBLIC COMMENT PERIOD</u> – Members of the public desiring to speak on an agenda item or on items not on the agenda, but within the purview of this Committee must notify the Secretary and fill out a speaker's card prior to speaking. A speaker's card must be turned in before the meeting is Called to Order. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes.		
4.0 <u>CONSENT CALENDAR</u>		
4.1 <u>Approval Item</u>		
4.1.1 <u>Minutes of the May 6, 2004 Meeting Attachment</u>	1	
4.2 <u>Receive and File</u>		
4.2.1 <u>SCAG Legislative Matrix Attachment</u>	5	
5.0 <u>ACTION ITEMS</u>		
5.1 <u>AB 2702 (Steinberg) Housing: Second Units Attachment</u>	Tonya Gorham, Govt. Affairs Analyst, SCAG	11 5 minutes
Staff will report to the Committee regarding this legislation which pertains to the development of second units.		
Recommended Action: Oppose AB 2702 unless amended.		



COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE

AGENDA

	PAGE #	TIME
6.0 INFORMATION ITEMS		
6.1 <u>Legislative Roundtable</u> Staff will provide a general legislative update including information on the state budget.	Tonya Gorham, Govt. Affairs Analyst, SCAG	20 minutes
6.2 <u>Housing Summit Review</u> A report will be presented on the annual Housing Summit held May 21, 2004 in Diamond Bar.	Councilmember Robertson Councilmember Nowatka	5 minutes
6.3 <u>Compass Growth Vision Implementation: The 2% Strategy and Contingency Funding Programs for 2004 RTP Attachment</u> The CEHD approved the Compass Growth Vision Program and implementation framework on May 6, 2004. The framework outlines actions to be taken that would achieve the benefits from the 2% land use strategy. This item explores those actions that could lead to contingency funding programs for the 2004 RTP.	Lynn Harris, Manager, Community Development, SCAG	27 20 minutes
7.0 <u>THE CHAIR'S REPORT</u>		
8.0 <u>STAFF REPORT</u>		
9.0 <u>FUTURE AGENDA ITEMS</u> Any Committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three minutes.		



COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE

AGENDA

PAGE #

TIME

10.0 CLOSED SESSION

SCAG v. HCD & BT&H

Conference with Legal Counsel – existing
litigation to be heard in closed session in
pursuant to California Government Code Section
§ 54956.9(a)

11.0 ADJOURNMENT

The next Community, Economic & Human
Development Committee is scheduled for
Thursday, July 1, 2004 at the SCAG Office.

**COMMUNITY, ECONOMIC & HUMAN
DEVELOPMENT COMMITTEE**

ACTION MINUTES

Thursday, May 6, 2004

**Hyatt Regency
711 South Hope Street
Los Angeles, CA 90017**

**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE
COMMUNITY, ECONOMIC, AND HUMAN DEVELOPMENT COMMITTEE.**

The Community, Economic & Human Development Committee of the Southern California Association of Governments held its meeting at the Hyatt Regency in downtown Los Angeles. The meeting was called to order by the Vice Chair, Alta Duke, City of La Palma. There was a quorum.

1.0 CALL TO ORDER

Vice Chair Alta Duke called the meeting to order at 9:32 a.m.

MEMBERS PRESENT

Mayor William Alexander, **Chair**
Councilmember Edward Burgnon
Councilmember Doug Davert
Councilmember Alta E. Duke, **Vice-Chair**
Mayor Ronald Loveridge
Councilmember Mary Ann Lutz
Councilmember Keith McCarthy
Councilmember Kathryn McCullough
Councilmember Efren J. Moreno, Jr.
Councilmember Bev Perry
Mayor Charles White
Councilmember Bob Yousefian

SANBAG Subregion
SANBAG Subregion
City of Tustin
City of La Palma
City of Riverside
City of Monrovia
City of Downey
OCCOG Subregion
San Gabriel Valley COG
City of Brea
WRCOG Subregion
City of Glendale

MEMBERS NOT PRESENT

Vice Mayor Lyle Alberg
Councilmember Gary Bosworth
Councilmember Paul Bowlen
Mayor Cristina Cruz Madrid
Mayor Pro Tem Mike Dispenza
Councilmember Josie Gonzales
Councilmember Susan Longville
Supervisor Chris Norby

SANBAG Subregion
CVAG Subregion
City of Cerritos
SGVCOG Subregion
City of Palmdale
SANBAG Subregion
SANBAG Subregion
City of Orange

Councilmember Paul Nowatka
Councilmember Jan Perry
Councilmember Bedford Pinkard
Councilmember Marilyn Poe
Councilmember Marsha Ramos
Councilmember Ed Reyes
Councilmember Laura Richardson
Councilmember Deborah Robertson
Councilmember M. Jo Shields

City of Torrance
City of Los Angeles
City of Oxnard
City of Los Alamitos
Arroyo Verdugo Subregion
City of Los Angeles
City of Long Beach
SANBAG Subregion
City of Brawley

2.0 PUBLIC COMMENT PERIOD

There were no public comments at this meeting.

3.0 CONSENT CALENDAR

The following consent calendar item was approved without objection.

3.1 Approval Item

3.1.1 Minutes of the March 4, 2004 Meeting

3.2 Receive and File

3.2.1 State and Federal Legislative Matrix

4.0 ACTION ITEM

4.1 Growth Vision Final Report

Mark Butala, Senior Regional Planner, introduced the item by reviewing the history of the Compass Growth Visioning effort led by the Growth Visioning Sub-Committee to CEHD. He informed the Committee that the sub-committee had approved a final report on March 25. John Fregonese, of Fregonese/Calthorpe Associates then gave a presentation describing features of the vision including its development, principles, key benefits, and implementation steps. There was a brief discussion. Supervisor Norby suggested legislative action to reverse contrary incentives at the State level. Mayor Perry commented that selection of pilot areas should remain open-ended at this time.

4.0 ACTION ITEM (cont.)

ACTION: Approval of the report with amendments as suggested by Mayor Perry was MOVED (Perry), SECONDED (Duke), and approved without objection.

4.1 Housing Legislation

Jacob Lieb, Acting Lead Regional Planner, described the features of two bill, AB 2358 and AB 2348, which emerged from the Statewide Housing Element Working Group negotiations. Mr. Lieb also reviewed some background in the negotiation process. Questions were asked regarding the effect of other pending bills at the State and Federal level.

ACTION: It was MOVED (McCarthy) Council and SECONDED (Yousefian). The motion was approved without objection.

5.0 INFORMATION ITEMS

5.1 Economic Forecast Conference Planning Group

Councilmember Kathryn McCullough volunteered to serve on the Economic Forecast Conference Planning Group.

5.2 SB 744 (Dunn)

Jacob Lieb, Acting Lead Regional Planner, described SB 744 (Dunn) which would create a housing application appeal review board at the State level. Mr. Lieb stated that the bill is not scheduled to be heard and is unlikely to move forward. Should there be further developments on the issue, staff will update the Committee.

5.3 Intergovernmental Review Annual Report

This item was not presented due to insufficient time.

5.4 Legislative Roundtable

This item was not presented due to insufficient time.

6.0 THE CHAIR'S REPORT

No report was given.

7.0 STAFF REPORT

No report was given.

8.0 FUTURE AGENDA ITEMS

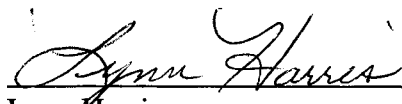
Councilmember McCarthy requested a future agenda item on AB 2702 (Steinberg). This item will be agendized either individually or as part of a broader legislative discussion.

9.0 CLOSED SESSION

No Closed Session held

10.0 ADJOURNMENT

The meeting was adjourned at 10:30 a.m. The next CEHD meeting will be held at 10:00 a.m. on Thursday, June 3, 2004 at the Temecula Creek Inn.

Signed: 
Lynn Harris
Manager, Community Development

MEMO

DATE: June 3, 2004

TO: The Community Economic and Human Development Committee (CEHD)
The Energy and Environment Committee (EEC)
The Transportation and Communications Committee (TCC)

FROM: Charlotte Eckelbecker, Government Affairs Analyst
Phone: (213) 236-1811 E-Mail: eckelbec@scag.ca.gov

SUBJECT: State Legislative Matrices

SUMMARY:

Attached to this memorandum are state legislative matrices tailored to each committee's area of interest. SCAG's positions are noted, as well as those of other agencies where available.

On the state legislative calendar, several important dates occur in late May and June. On May 28, bills introduced this year must pass their house of origin, and the state budget must be passed by June 15th. As of this writing on May 13th, Government Affairs is awaiting the release of the Governor's May Budget Revision. We will update committees about budget developments in June.

CAE#98918



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS 5

Private file: Housing

CA AB 2158	AUTHOR: Lowenthal (D) TITLE: Housing Elements: Regional Housing Need FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/18/2004 LAST AMEND: 05/10/2004 FILE: 96 LOCATION: Assembly Third Reading File SUMMARY: Relates to city, county or city and county general plan housing element. Revises the procedures for determining shares of the existing and projected regional housing need for cities, counties and subregions at all income levels. STATUS: 05/10/2004 In ASSEMBLY. Read second time and amended. To third reading. COMMENTARY: SCAG staff participates on the Lowenthal Working Group that crafted this bill. TO RC with Support position 6/3/04. Position: CSAC-Sup
CA AB 2175	AUTHOR: Canciamilla (D) TITLE: Conversion of Rental Housing FISCAL COMMITTEE: no URGENCY CLAUSE: no INTRODUCED: 02/18/2004 LAST AMEND: 04/19/2004 LOCATION: Assembly Housing and Community Development Committee SUMMARY: Relates to the Subdivision Map Act. Provides a local ordinance, regulation or administrative action may not prohibit an owner of residential property from subdividing the property into a common interest development. Authorizes a city, county or city and county to enact an ordinance, regulation or administrative action governing the conversion of residential rental property if the local agency does not impose specified requirements. STATUS: 04/28/2004 In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Failed passage.
CA AB 2247	AUTHOR: Salinas (D) TITLE: Local Planning FISCAL COMMITTEE: no URGENCY CLAUSE: no INTRODUCED: 02/19/2004 LAST AMEND: 04/29/2004 LOCATION: Assembly Local Government Committee SUMMARY: Provides that a city may use an optional process to apply for and obtain all necessary approvals from a local agency formation commission for annexations for a period not to exceed 15 years if the city complies with certain conditions. STATUS: 04/29/2004 To ASSEMBLY Committee on LOCAL GOVERNMENT. 04/29/2004 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments. 04/29/2004 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA AB 2264	AUTHOR: Chavez (D) TITLE: General Plan: Housing Element FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/19/2004 LAST AMEND: 04/12/2004 LOCATION: Assembly Housing and Community Development Committee SUMMARY: Relates to general plan housing elements. Requires an analysis of an available governmental

subsidy program relative to preservation of affordable housing, and a program to implement the policies in the housing element to also identify available private funds. Provides a city located in Los Angeles County may elect to commit 50% of the tax increment funds to the county and the county may pledge moneys for bonds for low and moderate income housing.

STATUS:

04/12/2004 Withdrawn from ASSEMBLY Committee on LOCAL GOVERNMENT.
 04/12/2004 Re-referred to ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT.
 04/12/2004 From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT with author's amendments.
 04/12/2004 In ASSEMBLY. Read second time and amended. Re-referred to Committee on HOUSING AND COMMUNITY DEVELOPMENT.

CA AB 2348

AUTHOR: Mullin (D)
TITLE: Housing Element: Regional Housing Need
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/19/2004
LAST AMEND: 04/16/2004
LOCATION: Assembly Appropriations Committee
SUMMARY:

Revises the criteria for the inventory of sites that can be developed for housing within the planning board of the general plan to accommodate that portion of a city's or county's share of regional housing need for all income levels. Expands the relocation assistance available to persons displaced by sites identified for substantial rehabilitation. Revises the requirements that may be imposed on a development project that contributes to the housing need.

STATUS:

05/05/2004 In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

COMMENTARY:

SCAG Staff participates in the Lowenthal Working Group that drafted AB 2348. To RC on 6/3/04 with support position.

Position: CSAC-Pending

CA AB 2702

AUTHOR: Steinberg (D)
TITLE: Housing: Second Units
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 05/06/2004
LOCATION: Assembly Second Reading File
SUMMARY:

Provides that a local agency may not preclude or effectively preclude 2nd units unless the local agency makes findings based on substantial evidence. Prohibits certain related ordinances. Prohibits a local agency from establishing minimum unit size requirements for attached or detached 2nd units below 550 livable square feet unless requested by the owner. Revises the parking requirements for 2nd units. Relates to incentives or housing developers.

STATUS:

05/12/2004 From ASSEMBLY Committee on APPROPRIATIONS: Do pass.

Position: CSAC-Opp

CA AB 2980

AUTHOR: Salinas (D)
TITLE: Housing Element: Self-Certification
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 04/19/2004
LOCATION: Assembly Appropriations Committee
SUMMARY:

Provides procedures whereby a city or county may elect to participate in alternative production-based certification of its housing element and would make those cities and counties eligible for specified state housing funds in the same manner as other jurisdictions.

STATUS:

05/05/2004 In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

Position: CALCOG-Sup, CSAC-SupInConc

CA SB 744	AUTHOR: Dunn (D) TITLE: Planning: Housing FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/21/2003 LAST AMEND: 06/03/2003 LOCATION: Assembly Housing and Community Development Committee SUMMARY: Requires the Department of Housing and Community Development to hear appeals of city, county or city and county decisions on applications for the construction of housing developments that meet specified affordability requirements. STATUS: 05/12/2004 To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT. Position: CSAC-Opp, League-Opp
CA SB 898	AUTHOR: Burton (D) TITLE: Open Space and Agricultural Land FISCAL COMMITTEE: no URGENCY CLAUSE: no INTRODUCED: 02/21/2003 LAST AMEND: 05/12/2003 LOCATION: Assembly Local Government Committee SUMMARY: Declares the intent of the Legislature to enact legislation that would provide long-term protection for California's productive agricultural lands and the viability of this important sector of the State economy. STATUS: 06/19/2003 To ASSEMBLY Committee on LOCAL GOVERNMENT. Position: League-Opp
CA SB 1145	AUTHOR: Burton (D) TITLE: Tenancy FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 01/22/2004 LAST AMEND: 04/19/2004 LOCATION: Senate Appropriations Committee SUMMARY: Extends indefinitely existing law which requires that if a landlord increases the rent of a month-to-month tenancy in excess of 10% of the amount of the rent charged to a tenant annually, the landlord shall provide an additional 30-days' notice prior to the effective date of the increase. Modifies the list of statements a landlord must provide a tenant to delete a required statement regarding a claim of security. STATUS: 05/03/2004 In SENATE Committee on APPROPRIATIONS: To Suspense File.
CA SB 1263	AUTHOR: Torlakson (D) TITLE: Development Projects: Mandatory Approval FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/13/2004 LOCATION: Senate Local Government Committee SUMMARY: Requires a public agency to approve a development project that is consistent with certain specific plans approved on or after July 1, 2004, unless the agency finds that approval would result in a specific adverse effect upon the public health or safety that cannot feasibly be mitigated or avoided. STATUS: 02/26/2004 To SENATE Committees on LOCAL GOVERNMENT and ENVIRONMENTAL QUALITY. Position: CSAC-Pending
CA SB 1592	AUTHOR: Torlakson (D) TITLE: Local Planning

FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 05/04/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 05/17/2004 1:30 pm
SUMMARY:

Requires each city and each county to adopt or amend an infill ordinance or specific plan that identifies potential infill sites and specifies appropriate zoning to encourage infill development on vacant and underutilized parcels. Requires the ordinance to provide at least 5 incentives for infill housing. Requires a city and county to comply with these provisions no later than one year from the date specified for the fifth revision of its housing element.

STATUS:

05/04/2004

In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

Position:

CSAC-Pending

CA SB 1818

AUTHOR: Hollingsworth (R)
TITLE: Density Bonuses
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 05/12/2004
FILE: 131
LOCATION: Senate Third Reading File
SUMMARY:

Relates to the Planning and Zoning Law which requires, when a housing developer proposes a development, that the city or county provide the developer with a density bonus or other incentives for the production of lower income housing units if the developer meets certain requirements. Requires that the local government provide a density bonus, incentives or concessions for the production of housing or child care facilities.

STATUS:

05/12/2004

In SENATE. Read second time and amended. To third reading.

Private file: LocalFinance

CA ACA 5

AUTHOR: Cogdill (R)
TITLE: Local Government Finance: Property Tax Revenue
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/11/2002
LOCATION: Assembly Appropriations Committee
SUMMARY:

Proposes a constitutional amendment to modify property tax reduction and transfer requirements, for the 2004-05 fiscal year and each fiscal year thereafter, by prohibiting the total amount allocated to a county's Educational Revenue Augmentation Fund from exceeding the applicable percentage, set forth in a specified schedule, of the total amount allocated to that fund for the 2002-03 fiscal year.

STATUS:

05/28/2003

In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

05/28/2003

In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in Committee.

Position:

CSAC-Sup, League-Sup

CA SB 1212

AUTHOR: Ducheny (D)
TITLE: Local Government Finance: Revenue Balancing Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/11/2004
LAST AMEND: 04/14/2004
LOCATION: Senate Appropriations Committee
SUMMARY:

Provides that beginning with the 2005-06 fiscal year, an indefinite offset of the vehicle license fee by 67.5% and eliminates reimbursement payments to counties and cities that are required under the Vehicle License Fee Law, the Property Tax Law and the Motor Vehicle Fuel Tax Law. Requires

each county and city annually receive, beginning with the 2005-06 fiscal year, a base amount determined with reference to payments received in the 2003-04 fiscal year.

STATUS:

05/03/2004

In SENATE Committee on APPROPRIATIONS: To Suspense File.

NOTES:

Moreno Ducheny Staff: Mark Stivers (916) 445-8740

COMMENTARY:

The 2004 Legislative Program calls for SCAG to monitor local finance legislation via groups like the League of California Cities to preserve SCAG resources. SB 1212 attempts to minimize the fiscalization of land use, a traditional SCAG issue. SCAG opposed AB 1221 (Steinberg) in 2003 that would have effected a tax swap to stabilize the tax base.

CA SB 1312

AUTHOR:

Hollingsworth (R)

TITLE:

Historical and Cultural Resources

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

02/17/2004

LOCATION:

Senate Natural Resources and Wildlife Committee

SUMMARY:

Appropriates an unspecified sum to the Department of Parks and Recreation for allocation for the purpose of recovering, restoring, or rebuilding significant historical and cultural buildings, resources, or artifacts affected by the Southern California wildfires of 2003 in any of the affected Counties of Los Angeles, Riverside, San Bernardino, San Diego, or Ventura.

STATUS:

04/13/2004

In SENATE Committee on NATURAL RESOURCES AND WILDLIFE: Not heard.

REPORT

DATE: June 3, 2004

TO: The Community Economic and Human Development Committee (CEHD)

FROM: Tonya Gorham, Government Affairs Analyst
Phone (213) 236-1988 – e-mail: gorham@scag.ca.gov

SUBJECT: AB 2702 (Steinberg) Housing: Second Units

EXECUTIVE DIRECTOR'S APPROVAL

RECOMMENDED ACTION: Oppose unless amended

SUMMARY:

As amended May 6, 2004 AB 2702 does the following:

- Clarifies the definition of "use by right" in the context of providing sufficient sites for owner-occupied and rental residential use and farmworker housing by stating that such use does not require a planned unit development permit or other discretionary permit.
- Prohibits a local agency from establishing minimum unit size requirements for attached and detached second units below 550 livable square feet, unless requested by the owner.
- Prohibits local governments from enacting any ordinance effectively precluding second units in any residential zone unless it finds, based on substantial evidence that a specific adverse impact on public health, safety and welfare, would result from allowing second units in residential zones.
- Prohibits a local government from requiring an owner's dependent or caregiver to be the occupant of a second unit.
- Authorizes a local government to require that an applicant for a permit to create a second unit be an owner-occupant of either the primary or the second unit.

AB 2702 is an attempt to increase housing supply without using additional land and infrastructure. While SCAG supports the concept of in-fill housing, AB2702 places restrictions on local government policy making ability and attempts to impose and "one size fits all" rule to local governments not allowing for differences in communities.

The Compass Growth Vision report, approved by this Committee in May, provides a framework for the region's policy on growth and development issues. The vision calls for future growth to be concentrated along transportation rich corridors and in regional and sub-regional centers. The vision calls for these development patterns to be implemented through proactive and cooperative planning that adapts to local conditions while taking advantage of identified opportunities to meet regional objectives.

The vision recognizes a critical shortage of housing in the region. Through Principle #2 "Foster livability in all communities", the vision encourages in-fill development and redevelopment to revitalize existing communities to increase housing supply and affordability. Also in Principle #3 "Enable Prosperity for All People" the vision encourages a variety of housing types to meet the needs of all income levels in each

community. By encouraging second units on existing properties, AB 2702 potentially supports policy objectives of the region.

However, the vision also places an emphasis on strategic actions to leverage a variety of objectives including improving efficiency in transportation system, accommodating growth in efficient urban form and promoting comprehensive planning. In order to achieve these objectives of the vision, proactive planning is required rather than the prohibitive measures outlined in AB 2702. This bill could be an effective tool only to the extent it is applied to targeted circumstances to promote multiple goals and only where a demonstrated nexus for these objectives is established. Specifically, staff recommends the following amendments:

The provisions of this bill should apply only where the jurisdiction is unable to otherwise identify sites sufficient to meet the share of regional housing need.

The provisions should apply to specific geographic areas, such as residential zones within 1/2 mile of a rail transit station, 1/4 mile of a major bus station, within 1/4 mile of a major transportation corridor, or within a mile of a major facility such as an airport.

Both proposed amendments would address the “one size fits all” issue in AB 2702. The first proposed amendment supports a viable option for housing development to those communities in need of increased housing with limited land space while not placing restrictions on communities that are able to meet their need. The second proposed amendment, while eliminating the “one size fits all” element of the bill, would also support policy objectives outlined in the Vision, including Principle #1 “Improve Mobility For All Residents”. This principle encourages transportation investments and land use decision that are “mutually supportive” and transit oriented development, while promoting a variety of transportation options for residents.

If amended, the bill would reinforce established policy objectives without creating undue hardship and prohibitions on local governments. Staff recommends an Oppose Unless Amended position on AB 2702.

BACKGROUND:

AB 2702 authored by Assembly Member Steinberg is intended to increase the supply of housing and spur in-fill development by limiting local governments' ability to deny or place restrictions on the development of second housing units. Second units, also called accessory dwelling units, are usually living units that are smaller than the main houses but on the same parcel or lot. These units can be attached, contained within a larger house, or detached. AB 1866 (Wright), Chapter 1062, Statutes of 2002, which became effective July 1, 2003 mandated cities develop criteria for approval of second units and removed discretion from the decision-making process. If a proposal meets the criteria, the city must approve the project without any public hearings or additional requirements. Under AB 1866, if localities do not adopt a second unit ordinance, state law sets development standards for second units. AB 2702 is an attempt to clarify and also limit the development standards that local governments may apply to second units in order to fulfill the intention of AB 1866.

SUPPORT:

The co-sponsors of AB 2702 are the California Association of Realtors, the California Rural Legal Assistance Foundation and the Western Center on Law and Poverty. The registered list of supporters of this legislation includes about 80 organizations and the following is a partial list:

- AARP
- California Apartment Association
- California Labor Federation, AFL-CIO
- California Partnership, Downey
- City of Calabasas
- Santa Ana Coalition for Economic Survival,
- Los Angeles Community Housing Improvement,
- Enterprise Foundation, Los Angeles
- Esperanza Community Housing Corporation, Los Angeles

- Fair Housing Council of Riverside County
- Neighborhood Housing Services of Orange County and Inland Empire
- Orange County Community Housing Corporation,
- Los Angeles Skid Row Housing Trust, Los Angeles
- Southern California Association of Non-Profit Housing, Los Angeles
- Southern California Housing Development Corporation, Rancho Cucamonga
- Strategic Actions For A Just Economy,
- Vietnam Veterans of California
- West Hollywood Community Housing Corporation

OPPOSE:

The following agencies oppose AB 2702:

- American Planning Association, California Chapter
- California State Association of Counties (CSAC)
- League of California Cities
- Independent Cities Association
- Sierra Club
- South Bay Council of Governments
- Several cities including the following cities in the SCAG region: Brea, Bellflower, Culver City, Lakewood, Moreno Valley, rancho Cucamonga, Palos Verdes Estates, Seal Beach and Thousand Oaks.

BILL STATUS:

AB 2702 (Steinberg) was heard in the Assembly Appropriations Committee on May 12, 2004 and passed out of committee by a vote of 13 to 7. It is currently in third reading on the Assembly Floor

FISCAL IMPACT:

All work related to adopting the recommended staff action is contained within the adopted FY 03/04 budget and adopted 2004 SCAG Legislative Program and does not require the allocation of any additional financial resources.

ATTACHMENT:

AB 2702 (Steinberg)

Tonya Gorham
AB 2702 CEHD
Docs#98921

AMENDED IN ASSEMBLY MAY 6, 2004
AMENDED IN ASSEMBLY APRIL 28, 2004
AMENDED IN ASSEMBLY APRIL 19, 2004
AMENDED IN ASSEMBLY MARCH 26, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2702

Introduced by Assembly Member Steinberg

February 20, 2004

An act to amend Section 65583 of, to add Sections 65852.8 and 65917.1 to, and to repeal Section 65852.2 of, the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2702, as amended, Steinberg. Housing: second units.

(1) The Planning and Zoning Law requires the housing element of the general plan of a city or county to include, among other things, a program with a 5-year schedule of actions that the local government is undertaking or intends to undertake to implement the goals and objectives of the housing element. The program is also required to provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right.

This bill would revise the definition of the phrase “use by right” as specified and state that the changes are declaratory of existing law.

(2) The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of 2nd units on parcels zoned for a primary single-family and multifamily residence. When the local

agency has not adopted an ordinance, it is required to grant a variance or special use permit for the creation of a 2nd unit that complies with statutory requirements but may require the applicant to be an owner-occupant. Existing law specifies the floor area of a permitted 2nd unit and parking requirements.

This bill would revise the above requirements, as specified, and would provide that local agency ordinances, regulations, or policies may not preclude or effectively preclude 2nd units unless the local agency makes findings based on substantial evidence, as specified.

The bill would prohibit a local agency from adopting an ordinance that requires an applicant or occupant of a 2nd unit or principal dwelling unit to be an owner-occupant or his or her dependent or a caregiver for the owner or dependent or that restricts the rent or income of occupants of 2nd units or that limits occupancy based on familial status, age, or other specified characteristics. The bill would prohibit a local agency from imposing a deed restriction requirement or other specified restriction relating to occupancy, tenure, or other characteristics, as specified. The bill would also, among other things, prohibit a local agency from establishing minimum unit size requirements for attached and detached 2nd units below 550 livable square feet unless requested by the owner and would revise the parking requirements for 2nd units.

The bill would authorize a local agency to charge a permit applicant a reasonable fee to cover the costs that it incurs as a result of the enactment of these provisions.

(3) The Planning and Zoning Law also requires, when a developer of housing proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with incentives or concessions for the production of lower income housing units within the development if the developer meets certain requirements.

The bill would provide, with respect to those incentives, that multifamily and single-family residential use is a permitted use on any parcel zoned and developed for primary or secondary education and residential uses. By increasing the duties of local public officials, the bill would impose a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide

and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 65583 of the Government Code is
2 amended to read:

3 65583. The housing element shall consist of an identification
4 and analysis of existing and projected housing needs and a
5 statement of goals, policies, quantified objectives, financial
6 resources, and scheduled programs for the preservation,
7 improvement, and development of housing. The housing element
8 shall identify adequate sites for housing, including rental housing,
9 factory-built housing, and mobilehomes, and shall make adequate
10 provision for the existing and projected needs of all economic
11 segments of the community. The element shall contain all of the
12 following:

13 (a) An assessment of housing needs and an inventory of
14 resources and constraints relevant to the meeting of these needs.
15 The assessment and inventory shall include all of the following:

16 (1) An analysis of population and employment trends and
17 documentation of projections and a quantification of the locality's
18 existing and projected housing needs for all income levels. These
19 existing and projected needs shall include the locality's share of the
20 regional housing need in accordance with Section 65584.

21 (2) An analysis and documentation of household
22 characteristics, including level of payment compared to ability to
23 pay, housing characteristics, including overcrowding, and housing
24 stock condition.

25 (3) An inventory of land suitable for residential development,
26 including vacant sites and sites having potential for
27 redevelopment, and an analysis of the relationship of zoning and
28 public facilities and services to these sites.

1 (4) An analysis of potential and actual governmental
2 constraints upon the maintenance, improvement, or development
3 of housing for all income levels and for persons with disabilities
4 as identified in the analysis pursuant to paragraph (6), including
5 land use controls, building codes and their enforcement, site
6 improvements, fees and other exactions required of developers,
7 and local processing and permit procedures. The analysis shall also
8 demonstrate local efforts to remove governmental constraints that
9 hinder the locality from meeting its share of the regional housing
10 need in accordance with Section 65584 and from meeting the need
11 for housing for persons with disabilities identified pursuant to
12 paragraph (6).

13 (5) An analysis of potential and actual nongovernmental
14 constraints upon the maintenance, improvement, or development
15 of housing for all income levels, including the availability of
16 financing, the price of land, and the cost of construction.

17 (6) An analysis of any special housing needs, such as those of
18 the elderly, persons with disabilities, large families, farmworkers,
19 families with female heads of households, and families and
20 persons in need of emergency shelter.

21 (7) An analysis of opportunities for energy conservation with
22 respect to residential development.

23 (8) An analysis of existing assisted housing developments that
24 are eligible to change from low-income housing uses during the
25 next 10 years due to termination of subsidy contracts, mortgage
26 prepayment, or expiration of restrictions on use. "Assisted
27 housing developments," for the purpose of this section, shall mean
28 multifamily rental housing that receives governmental assistance
29 under federal programs listed in subdivision (a) of Section
30 65863.10, state and local multifamily revenue bond programs,
31 local redevelopment programs, the federal Community
32 Development Block Grant Program, or local in-lieu fees.
33 "Assisted housing developments" shall also include multifamily
34 rental units that were developed pursuant to a local inclusionary
35 housing program or used to qualify for a density bonus pursuant
36 to Section 65916.

37 (A) The analysis shall include a listing of each development by
38 project name and address, the type of governmental assistance
39 received, the earliest possible date of change from low-income use
40 and the total number of elderly and nonelderly units that could be

1 lost from the locality's low-income housing stock in each year
2 during the 10-year period. For purposes of state and federally
3 funded projects, the analysis required by this subparagraph need
4 only contain information available on a statewide basis.

5 (B) The analysis shall estimate the total cost of producing new
6 rental housing that is comparable in size and rent levels, to replace
7 the units that could change from low-income use, and an estimated
8 cost of preserving the assisted housing developments. This cost
9 analysis for replacement housing may be done aggregately for
10 each five-year period and does not have to contain a
11 project-by-project cost estimate.

12 (C) The analysis shall identify public and private nonprofit
13 corporations known to the local government which have legal and
14 managerial capacity to acquire and manage these housing
15 developments.

16 (D) The analysis shall identify and consider the use of all
17 federal, state, and local financing and subsidy programs which can
18 be used to preserve, for lower income households, the assisted
19 housing developments, identified in this paragraph, including, but
20 not limited to, federal Community Development Block Grant
21 Program funds, tax increment funds received by a redevelopment
22 agency of the community, and administrative fees received by a
23 housing authority operating within the community. In considering
24 the use of these financing and subsidy programs, the analysis shall
25 identify the amounts of funds under each available program which
26 have not been legally obligated for other purposes and which could
27 be available for use in preserving assisted housing developments.

28 (b) (1) A statement of the community's goals, quantified
29 objectives, and policies relative to the maintenance, preservation,
30 improvement, and development of housing.

31 (2) It is recognized that the total housing needs identified
32 pursuant to subdivision (a) may exceed available resources and the
33 community's ability to satisfy this need within the content of the
34 general plan requirements outlined in Article 5 (commencing with
35 Section 65300). Under these circumstances, the quantified
36 objectives need not be identical to the total housing needs. The
37 quantified objectives shall establish the maximum number of
38 housing units by income category that can be constructed,
39 rehabilitated, and conserved over a five-year time period.

1 (c) A program which sets forth a five-year schedule of actions
2 the local government is undertaking or intends to undertake to
3 implement the policies and achieve the goals and objectives of the
4 housing element through the administration of land use and
5 development controls, provision of regulatory concessions and
6 incentives, and the utilization of appropriate federal and state
7 financing and subsidy programs when available and the utilization
8 of moneys in a low- and moderate-income housing fund of an
9 agency if the locality has established a redevelopment project area
10 pursuant to the Community Redevelopment Law (Division 24
11 (commencing with Section 33000) of the Health and Safety Code).
12 In order to make adequate provision for the housing needs of all
13 economic segments of the community, the program shall do all of
14 the following:

15 (1) (A) Identify adequate sites which will be made available
16 through appropriate zoning and development standards and with
17 services and facilities, including sewage collection and treatment,
18 domestic water supply, and septic tanks and wells, needed to
19 facilitate and encourage the development of a variety of types of
20 housing for all income levels, including multifamily rental
21 housing, factory-built housing, mobilehomes, housing for
22 agricultural employees, emergency shelters, and transitional
23 housing in order to meet the community's housing goals as
24 identified in subdivision (b).

25 (i) Where the inventory of sites, pursuant to paragraph (3) of
26 subdivision (a), does not identify adequate sites to accommodate
27 the need for groups of all household income levels pursuant to
28 Section 65584, the program shall provide for sufficient sites with
29 zoning that permits approval of owner-occupied and rental
30 *multifamily* units to obtain a residential use by right, including
31 density and development standards that could accommodate and
32 facilitate the feasibility of housing for very low and low-income
33 households.

34 (ii) Where the inventory of sites pursuant to paragraph (3) of
35 subdivision (a) does not identify adequate sites to accommodate
36 the need for farmworker housing, the program shall provide for
37 sufficient sites to meet the need with zoning that permits
38 farmworker housing use by right, including density and
39 development standards that could accommodate and facilitate the

1 feasibility of the development of farmworker housing for low- and
2 very low income households.

3 (B) For purposes of this subdivision, the phrase “use by right”
4 shall mean that the use does not require a conditional use permit
5 or a planned unit development permit, except when the proposed
6 project is a mixed-use project involving both commercial or
7 industrial uses and residential uses. Use by right for all rental
8 housing shall be provided in accordance with subdivision (f) of
9 Section 65589.5. The amendments to this subparagraph made by
10 the act adding this sentence are declaratory of existing law.

11 (C) The requirements of this subdivision regarding
12 identification of sites for farmworker housing shall apply
13 commencing with the next revision of housing elements required
14 by Section 65588 following the enactment of this subparagraph.

15 (2) Assist in the development of adequate housing to meet the
16 needs of low- and moderate-income households.

17 (3) Address and, where appropriate and legally possible,
18 remove governmental constraints to the maintenance,
19 improvement, and development of housing, including housing for
20 all income levels and housing for persons with disabilities. The
21 program shall remove constraints to, or provide reasonable
22 accommodations for housing designed for, intended for
23 occupancy by, or with supportive services for, persons with
24 disabilities.

25 (4) Conserve and improve the condition of the existing
26 affordable housing stock, which may include addressing ways to
27 mitigate the loss of dwelling units demolished by public or private
28 action.

29 (5) Promote housing opportunities for all persons regardless of
30 race, religion, sex, marital status, ancestry, national origin, color,
31 familial status, or disability.

32 (6) (A) Preserve for lower income households the assisted
33 housing developments identified pursuant to paragraph (8) of
34 subdivision (a). The program for preservation of the assisted
35 housing developments shall utilize, to the extent necessary, all
36 available federal, state, and local financing and subsidy programs
37 identified in paragraph (8) of subdivision (a), except where a
38 community has other urgent needs for which alternative funding
39 sources are not available. The program may include strategies that
40 involve local regulation and technical assistance.

1 (B) The program shall include an identification of the agencies
2 and officials responsible for the implementation of the various
3 actions and the means by which consistency will be achieved with
4 other general plan elements and community goals. The local
5 government shall make a diligent effort to achieve public
6 participation of all economic segments of the community in the
7 development of the housing element, and the program shall
8 describe this effort.

9 (d) The analysis and program for preserving assisted housing
10 developments required by the amendments to this section enacted
11 by the Statutes of 1989 shall be adopted as an amendment to the
12 housing element by July 1, 1992.

13 (e) Failure of the department to review and report its findings
14 pursuant to Section 65585 to the local government between July
15 1, 1992, and the next periodic review and revision required by
16 Section 65588, concerning the housing element amendment
17 required by the amendments to this section by the Statutes of 1989,
18 shall not be used as a basis for allocation or denial of any housing
19 assistance administered pursuant to Part 2 (commencing with
20 Section 50400) of Division 31 of the Health and Safety Code.

21 SEC. 2. Section 65852.2 of the Government Code is repealed.

22 SEC. 3. Section 65852.8 is added to the Government Code, to
23 read:

24 65852.8. (a) (1) Except as provided in subdivisions (c), (d),
25 (e), (f), (g), and (k), a local agency may, by ordinance, provide for
26 the creation of second units in single-family and multifamily
27 residential zones. The ordinance may do any of the following:

28 (A) Designate areas within the jurisdiction of the local agency
29 where second units may be permitted. The designation of areas
30 may be based on criteria, that may include, but are not limited to,
31 the adequacy of water and sewer services and the impact of second
32 units on traffic flow.

33 (B) Impose reasonable standards on second units that include,
34 but are not limited to, parking, height, setback, lot coverage,
35 architectural review, maximum size of a unit, and standards that
36 prevent adverse impacts on any real property that is listed in the
37 California Register of Historic Places.

38 (C) Provide that second units do not exceed the allowable
39 density for the lot upon which the second unit is located, and that

1 second units are a residential use that is consistent with the existing
2 general plan and zoning designation for the lot.

3 (2) The ordinance shall not be considered in the application of
4 any local ordinance, policy, or program to limit residential growth.

5 (3) When a local agency receives its first application on or after
6 July 1, 2003, for a permit pursuant to this subdivision, the
7 application shall be approved or disapproved ministerially without
8 discretionary review or a hearing, notwithstanding Section 65901
9 or 65906 or any local ordinance regulating the issuance of
10 variances or special use permits. Nothing in this paragraph may be
11 construed to require a local government to adopt or amend an
12 ordinance for the creation of second units. A local agency may
13 charge a fee to reimburse it for costs that it incurs pursuant to this
14 paragraph, including the costs of adopting or amending any
15 ordinance that provides for the creation of second units.

16 (b) (1) When a local agency that has not adopted an ordinance
17 governing second units in accordance with subdivision (a) or (c)
18 receives its first application for a permit pursuant to this
19 subdivision, the local agency shall accept the application and
20 approve or disapprove the application ministerially without
21 discretionary review pursuant to this subdivision, unless it adopts
22 an ordinance in accordance with subdivision (a) or (c) within 120
23 days after receiving the application. Notwithstanding Section
24 65901 or 65906, a local agency may not require a variance or
25 discretionary permit for the creation of a second unit and shall
26 approve an application for a second unit that complies with all of
27 the following:

28 (A) The unit is not intended for sale and may be rented.

29 (B) The lot is zoned for single-family or multifamily use.

30 (C) The lot contains an existing single-family dwelling.

31 (D) The second unit is either attached to the existing dwelling
32 or detached from the existing dwelling and located on the same lot
33 as the existing dwelling.

34 (E) Requirements relating to height, setback, lot coverage,
35 architectural review, site plan review, fees, charges, and other
36 zoning requirements generally applicable to the primary dwelling
37 in which the property is located.

38 (F) Local building code requirements which apply to detached
39 dwellings, as appropriate.

1 (G) Approval by the local health officer where a private sewage
2 disposal system is being used, if required.

3 (H) The increased floor area of an attached second unit is not
4 less than 550 square feet, unless requested by the owner.

5 (I) The total floor area of a detached second unit is not less than
6 550 square feet, unless requested by the owner.

7 (2) No other local ordinance, policy, or regulation shall be the
8 basis for the denial of a building permit or a use permit under this
9 subdivision.

10 (3) This subdivision establishes the maximum standards that
11 local agencies shall use to evaluate proposed second units on lots
12 zoned for residential use that contain an existing single-family
13 dwelling.

14 No additional standards, other than those provided in this
15 subdivision or subdivision (a), shall be utilized or imposed.

16 (4) No changes in zoning ordinances or other ordinances or any
17 changes in the general plan shall be required to implement this
18 subdivision. Any local agency may amend its zoning ordinance or
19 general plan to incorporate the policies, procedures, or other
20 provisions applicable to the creation of second units if these
21 provisions are consistent with the limitations of this subdivision.

22 (5) A second unit that conforms to the requirements of this
23 subdivision shall not be considered to exceed the allowable density
24 for the lot upon which it is located, and shall be deemed to be a
25 residential use that is consistent with the existing general plan and
26 zoning designations for the lot. The second units shall not be
27 considered in the application of any local ordinance, policy, or
28 program to limit residential growth.

29 (c) Local agency ordinances, regulations, or policies may not
30 preclude or effectively preclude second units within all
31 residentially zoned areas unless the local agency finds, based on
32 substantial evidence, that the ordinance may limit housing
33 opportunities of the region and finding that specific adverse
34 impacts upon the public health, safety, and welfare would result
35 from allowing second units within single-family and multifamily
36 zoned areas justify adopting the ordinance.

37 (1) Local governments shall apply appropriate standards as
38 defined in Section 65913.1, and those standards shall be written,
39 objective, and adopted by the local government.

40 (2) Local agencies may not require any of the following:

1 (A) An owner's dependent or caregiver to occupy the primary
2 dwelling or second unit. A local agency may require an applicant
3 for a permit issued pursuant to this subdivision to be an
4 owner-occupant of either the primary or second unit. A local
5 agency may not impose a deed restriction requirement or other
6 limitation that (i) restricts the sale of the property to
7 owner-occupants, or (ii) restricts the occupancy of the primary or
8 second unit by tenure or any characteristic enumerated in Section
9 65008, if the applicant determines that he or she will not occupy
10 the primary or second unit.

11 (B) The occupancy of either unit to be restricted by familial
12 status, age, or any other characteristic enumerated in Section
13 65008.

14 (3) Nothing in this section shall prohibit a city, county, or city
15 and county from regulating or prohibiting transient use of second
16 units in which rent is charged and collected on a daily basis.

17 (d) A local agency may not establish minimum unit size
18 requirements for attached and detached second units below 550
19 livable square feet unless requested by the owner.

20 (e) A local agency may not establish minimum lot size
21 requirements for detached second units above twice the square
22 footage of the primary unit, unless requested by the owner.

23 (f) Parking requirements for second units shall not exceed one
24 parking space per unit or per bedroom. Covered parking may not
25 be required. *Local agencies may impose reasonable standards to*
26 *limit on-street parking.* Off-street parking shall be permitted in
27 setback areas in locations determined by the local agency or
28 through tandem parking, unless specific findings are made that
29 parking in setback areas or tandem parking is not feasible based
30 upon specific site or regional, topographical or fire and life safety
31 conditions, or that it is not permitted anywhere else in the
32 jurisdiction.

33 (g) Fees charged for the construction of second units shall be
34 determined in accordance with Chapter 5 (commencing with
35 Section 66000).

36 (h) Except as provided in subdivision (b), this section does not
37 limit the authority of local agencies to adopt less restrictive
38 requirements for the creation of second units.

39 (i) Local agencies shall submit a copy of the ordinance or
40 ordinances adopted pursuant to subdivision (a) to the Department

1 of Housing and Community Development within 60 days after
2 adoption.

3 (j) As used in this section, the following terms apply:

4 (1) "Local agency" means a city, county, or city and county,
5 whether general law or chartered.

6 (2) "Second unit" means an attached or a detached residential
7 dwelling unit which provides complete independent living
8 facilities for one or more persons. It shall include permanent
9 provisions for living, sleeping, eating, cooking, and sanitation on
10 the same parcel as the single-family dwelling is situated. A second
11 unit also includes any of the following:

12 (A) An efficiency unit, as defined in Section 17958.1 of Health
13 and Safety Code.

14 (B) A manufactured home, as defined in Section 18007 of the
15 Health and Safety Code.

16 (k) Nothing in this section shall be construed to supersede or in
17 any way alter or lessen the effect or application of the California
18 Coastal Act (Division 20 (commencing with Section 30000) of the
19 Public Resources Code), except that the local government shall not
20 be required to hold public hearings for coastal development permit
21 applications for second units.

22 (l) *A local agency may charge a reasonable fee to an applicant
23 for a permit pursuant to this section to reimburse the agency for
24 costs that it incurs as a result of the enactment of this section,
25 including the costs of adopting or amending any ordinance that
26 provides for the creation of second units.*

27 SEC. 4. Section 65917.1 is added to the Government Code, to
28 read:

29 65917.1. When a school district agrees to allow multifamily
30 or a single-family residential use on the school district's property
31 *and agrees to adequate security features such as separate*
32 *entrances that segregate the two uses*, the residential density
33 permitted on the parcel is the highest multifamily residential
34 density permitted on any parcel within 300 feet plus any density
35 bonus mandated by Section 65915. If there is no multifamily
36 residential use permitted within 300 feet, the permitted residential
37 density on the parcel being developed for primary or secondary
38 education and residential uses is the highest multifamily
39 residential density allowable in the community plan area.

1 SEC. 5. Notwithstanding Section 17610 of the Government
2 Code, if the Commission on State Mandates determines that this
3 act contains costs mandated by the state, reimbursement to local
4 agencies and school districts for those costs shall be made pursuant
5 to Part 7 (commencing with Section 17500) of Division 4 of Title
6 2 of the Government Code. If the statewide cost of the claim for
7 reimbursement does not exceed one million dollars (\$1,000,000),
8 reimbursement shall be made from the State Mandates Claims
9 Fund.



MEMO

DATE: May 19, 2004

TO: Community, Economic and Human Development Committee (CEHD)

FROM: Lynn Harris, Manager, Community Development Division, 213-236-1875, harris@scag.ca.gov

SUBJECT: Compass Growth Vision Implementation: The 2% Strategy and Contingency Funding Programs for 2004 RTP

SUMMARY:

On 5/6/04, the CEHD Committee unanimously approved the Southern California Compass Growth Vision and Implementation Program. The framework outlines actions to be taken that would achieve the benefits from the 2% land use strategy. This item explores those actions that could lead to contingency funding programs for the 2004 RTP.

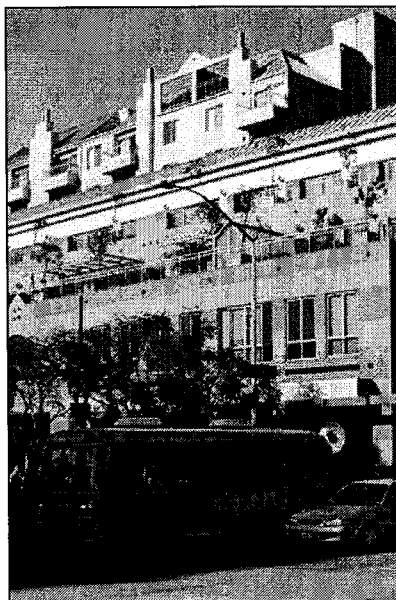
Page 9, Bullet 2 of the attached Implementation Framework refers to the strategy of benefit assessment districts. Benefit assessment is a fee on property used to pay part or all of the cost of capital improvements enhancing the value of and benefiting the property. Assessments received from these districts are used to pay off bonds issued to pay a portion of the construction costs. This strategy was used by the MTA to finance 9% of segment 1 of the Metro Red (A) Line.

This is an information item intended to generate discussion with the Committee that:

1. Describes the process of establishing benefit assessment districts
2. Discusses the pros and cons of establishing benefit assessment districts
3. Identifies potential corridors where this strategy might be utilized



The Compass Growth Vision is centered on the four Principles adopted by the Growth Visioning Subcommittee. Accordingly, the strategies for implementation are also grouped by Principle. There are some techniques however which transcend any one Principle and therefore should be seen as an overarching strategy. These action items are grouped in the following series of general strategies for implementing the Growth Vision.



Overarching Strategies

- **Develop a monitoring system to gauge local and regional success of the elements within the Growth Vision**

What gets measured gets done. One of the key advantages of a scenario planning approach is the reliance on monitoring, evaluation and adjustment of strategies based on success or failure. Without quality monitoring systems in place it can be difficult, even impossible, to accurately gauge the success of planning efforts. The RTP and Growth Vision both lend themselves well to detailed monitoring. The statements and policies about the future that will result from actions made today, tomorrow and the next few years can only be ensured if we can continually verify that we are on track. It is vital to measure our actions objectively to determine the level of performance we are attaining. This monitoring can provide an early warning system if things are not going according to plan. On the other hand, it can also alert us to early successes from which we can learn lessons and in fact further the goals of the plan.

Of utmost importance in developing a monitoring system for the Growth Vision is that the measures and techniques to be employed are developed through a collaborative process where all participating jurisdictions can agree with both the purpose and method of the monitoring. Once developed, this monitoring system should be utilized on a regular basis, resulting in a report, shared with all member jurisdictions, that will help them understand how their policies and actions are either enforcing the collective goals of the vision, or where changes and new ideas may be warranted.

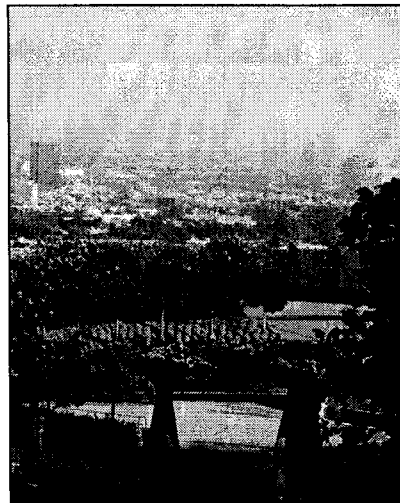
SCAG should begin by incorporating the Growth Visioning monitoring system into the State of the Region Report. The Report should include benchmarks and indicators, which evaluate progress toward quantifiable goals derived from the Vision. This monitoring system should also be employed to compare the differences between the 2001 and 2004 Regional Transportation Plans to learn more about the resulting reduction in emissions.

- **Develop a legislative agenda to aid in the realization of the Vision.**

Coordinate this agenda with the other regional governments in the state, such as ABAG/MTC, SACOG, and SANDAG, to change State law that hinders the common approaches of the regions. State policy affects a wide variety of issues including topics such as transportation policy, housing, and even labor laws that may be weakening the Southland's potential to attract manufacturing firms.

Issues to be addressed at the State level include:

- Establish priorities based on the Vision for which we can leverage funds for local governments to use.
- Use housing allocation funds and discretionary decisions at the State and federal level to reinforce and support the Vision.
- Make compliance with a regional vision of tangible benefit, such as shifting the burden of proof for EIR compliance from the city and developer to the plaintiff, once compliance with objective measures of a growth management strategy are attained.



- **Update the Regional Comprehensive Plan as a tool to coordinate local plans and embrace the Southland's many unique local identities.**

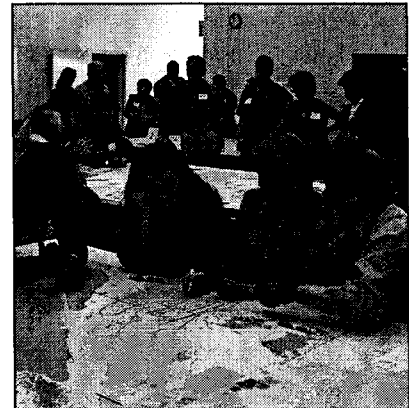
Experience suggests that SCAG, the subregions, and local jurisdictions could more easily achieve their collective goals by actively encouraging and empowering subregional planning and coordination within the context of a regional comprehensive plan. The Vision should be built on this type of cooperative partnership. The Vision will be implemented through decisions made every day at the local level and will therefore only succeed by helping to accomplish local desires.

The effort required to implement the Vision will not fall on any one jurisdiction. Cities, Counties, Transportation Authorities and SCAG are partners, sharing the responsibility for making the Vision a reality for the residents of the Southland.

- **Create a targeted public relations strategy that emphasizes regional leadership and builds a sense of common interests that truly resonates with Southern Californians and begins to develop a deeper respect for SCAG by the subregions and local jurisdictions.**

We've heard from several subregional groups that the idea of public relations is critical and has great potential for lasting success. This outreach should take a variety of forms. In the beginning the primary goal will be to publicize the important regional planning activities underway with SCAG's partners and the public. This could involve speaker's bureaus, planning assistance, and various press strategies. Other regions have also found great success by preparing handbooks or tools to assist their member cities in achieving the shared vision.

Education can also be a key component of this outreach strategy. Education opportunities exist both in and out of the classroom. Conferences or symposiums can be an excellent way to bring important regional lessons to groups of elected officials, planners, and even students – our future leaders. Another strategy that has been successful is bringing regional planning into the schools themselves. A first strategy might involve university level coursework through working with some of the many planning schools in the Southland. Further down the road, a program could be developed to educate high-school age children. For years Chicago had a mandatory class that taught children about their famed Burnham Plan of 1909. Getting children involved in the importance and quality-of-life benefits of planning at an early age helps to ensure that it will remain a topic of interest and concern as they become adults.



- **Establish a method to convene representatives from government, civic leaders and members of the development community to work together on issues and challenges that are shared by communities within the Southland.**

Setting up periodic forums to bring these groups together can be instrumental in all parties fully understanding each other's wants and needs, and from that derive possible solutions. This coordination will help to allow the private sector to build the type of products for which member jurisdictions are striving.

Implementation Tools by Principle

PRINCIPLE #1

Improve mobility for all residents

- ◆ Encourage transportation investments and land-use decisions that are mutually supportive
- ◆ Locate new housing near existing jobs and new jobs near existing housing
- ◆ Encourage transit-oriented development
- ◆ Promote a variety of travel choices

Implementation Strategies

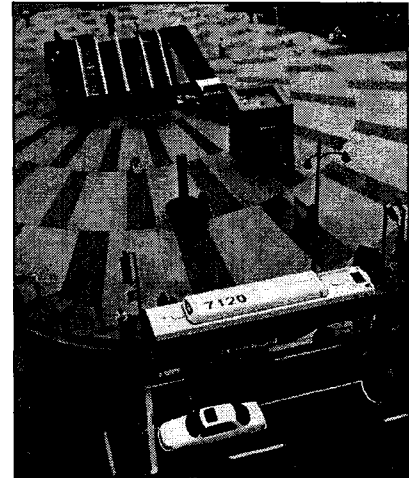
- **SCAG should begin each RTP process with scenarios based on geographic land use knowledge within the TAZ's to inform the projections.**

The 2004 RTP benefited from the land use element that evolved from the Compass process. This “bottom-up” approach has met with success during the Compass process. This includes incorporating input received locally from the subregion and city review of the Growth Vision into a “starter Compass scenario” for the 2007 model runs, informed by the monitoring of key indicators in the interim.

There is no reason to wait to model these virtual futures. Continual scenario modeling, coupled with a detailed monitoring system, will allow SCAG and local jurisdictions to be continually informed regarding the benefits of the various strategies they are employing.

- **The Regional Transportation Plan is now aligned with the principles of the Growth Vision. SCAG should prioritize transportation improvements for optimum realization of those goals.**

Projects funded by the RTP could be evaluated using the Vision, and the Vision could provide incentives for implementation of key policies in the RTP. The Corridors described in the Vision and on the map are one of several items to explore. Corridors are the easiest places to make a case for using federal and state dollars to help cities with planning. Fully utilizing the corridors will help to focus the necessary land use changes into areas where change is both wanted and needed, protecting stable neighborhoods from significant impact. Increasing the housing and jobs in these corridors was one of the leading components of the Vision and led to many of the modeled transportation efficiencies of the 2004 RTP.



Providing transit options is a way to improve mobility for residents within the region.

- **Develop a diverse set of pilot corridor projects that show the Growth Vision in action.**

Successful pilot projects can demonstrate progress in the implementation of some of the key principles of the Vision. These studies can help in understanding market and regulatory barriers that inhibit both economic growth and the provision of needed housing. Further, they can act as a catalyst, showing other developers, lenders, and jurisdictions the potential that can be achieved.

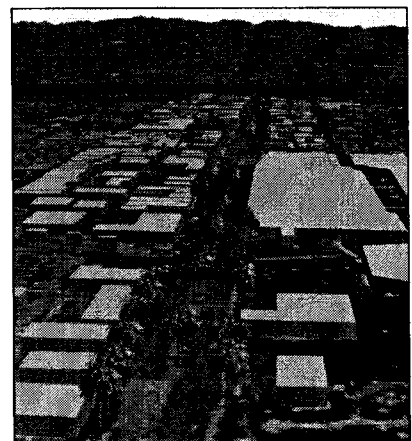
For each of the corridor pilot projects, the parties involved should engage in a full land use and transportation study. Strategies would include:

- Combining land use and transportation strategies, rather than holding land use constant and changing transportation investments on a case-by-case basis
 - Using the principles of scenario planning to investigate options and develop feasible strategies that allow the region to 'plan without boundaries'
 - Using a wide-ranging public awareness program, including workshops or charrettes, to engage the public in developing scenarios and strategies.
 - Developing a set of measurable criteria to evaluate different scenarios and using a consistent set of criteria to select a final strategy.
 - Using this process to help define options for developing the Environmental Impact Review.
- **Work with County Transportation Commissions to help coordinate inter-regional transit travel.**

A reoccurring theme at the many Compass workshops was the difficulty faced by some in using transit to travel across the region. Concerns ranged from varying fares, to headways, and most importantly gaps in service that seem to correspond to jurisdictional boundaries. The needs of residents of the Southland transcend city and county borders. These boundaries must be removed from the thought process in planning for seamless travel.

Following is a first list of suggested pilot projects for implementing the vision.

1. Gold Line Extension
2. Exposition Line
3. Valley Bus Way
4. Maglev IOS
5. San Jacinto Line
6. Highway 30
7. 101 Corridor HOT lanes
8. CenterLine
9. North Los Angeles County to the High Desert
10. Other corridors with significant transportation and land use interaction



PRINCIPLE #2

Foster livability in all communities

- ◆ Promote infill development and redevelopment to revitalize existing communities
- ◆ Promote developments that provide a mix of uses
- ◆ Promote “people-scaled,” walkable communities
- ◆ Support the preservation of stable, single-family neighborhoods

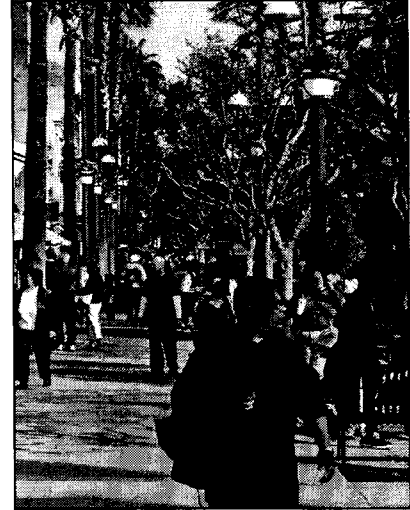
Implementation Strategies

- **The Regional Housing Needs Assessment process should be coordinated with visioning and planning at the regional level to identify areas of common interest and mutual benefit.**

The Compass process should be used as a means of collaboration and compromise to revise the RHNA process to one that is less adversarial and more creative. As creator of the RTP, SCAG has the ability to begin this process by bringing to the conversation a common base of understanding, one based on the demographic needs of the region. Building the process on top of a commonly held vision of the future can help to focus the discussions on both regional and local needs while bringing consistency to the regional planning effort.

- **Endow the subregions with greater responsibility in conducting their own visioning.**

Use these efforts to guide the shape of regional plans, recognizing that the cities and counties are the cornerstone of implementation. SCAG's role would be to facilitate this work and help with coordinating the many jurisdictions involved in any planning project. Building the Growth Vision from local planning efforts is an idea that resonated well with the subregions and local jurisdictions that participated in Compass workshops, policy dialogues, and scenario review sessions.



Walkable communities help improve livability and promote a mix of uses.

- Establish vision elements, such as Centers and Corridors, and a well-defined open space system with clear objectives for development, preservation and social equity.

Agencies may use these objectives in providing assistance to developers that want to further city goals with their projects. SCAG can work to ensure that the Vision and its map evolve to recognize the local implementation efforts and priorities that are discovered during the process.



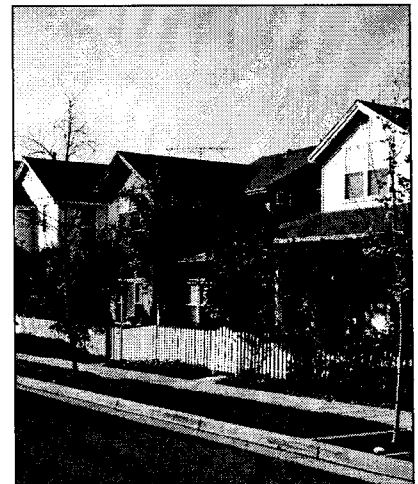
- Offer planning assistance and cooperatively develop a set of recommended model ordinances for those that wish to implement specific parts of the regional Vision.

Model ordinances can be used to help make development that supports the vision ubiquitous rather than the exception. Through pilot projects, handbooks and partnerships, the cities of the region have many resources at their fingertips to assist in planning for, and achieving a substantial amount of new housing units through infill. Research of pilot projects during the Compass project alone has shown that policies such as allowing for flexible building height standards and reductions in parking requirements for these pedestrian friendly areas can reduce costs by as much as 30%. Continued exploration and ongoing projects will provide the region with the tools necessary to properly utilize land use, specifically infill, to enhance the transportation corridor efficiency.

PRINCIPLE #3

Enable prosperity for all people

- ◆ Provide, in each community, a variety of housing types to meet the needs of all income levels
- ◆ Support educational opportunities that promote balanced growth
- ◆ Ensure environmental justice regardless of race, ethnicity or income class
- ◆ Support local and state fiscal policies that encourage balanced growth
- ◆ Encourage civic engagement



A variety of housing types enables prosperity for all people.

Implementation Strategies

- **Create a regional database with a wealth of knowledge for planning and economic development.**

SCAG should assemble and keep current a quality GIS inventory of: vacant and reuse opportunity sites, local and regional open space plans and information that will help companies find locations within the Southland near to their desired employees. This data should be shared with jurisdictions and the development community. This data sharing will promote jobs-housing balance, open space preservation and the enabling of infill development and investment in areas that are largely developed.

- **Foster greater cooperation between business, government and community organizations through training in public-private partnerships.**

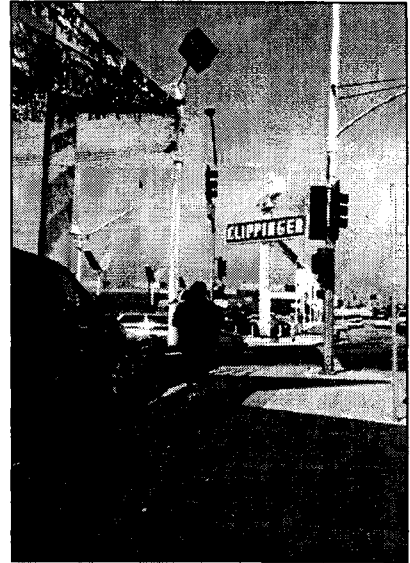
This effort opens the door to the creation of important partnerships with the development community, learning from them how policies and practices both help and hinder the creation of the products that support the vision. These developers will benefit as they work with the cities and counties, and will be able to act as ambassadors to their colleagues.

- **Accelerate employment balance throughout the region**

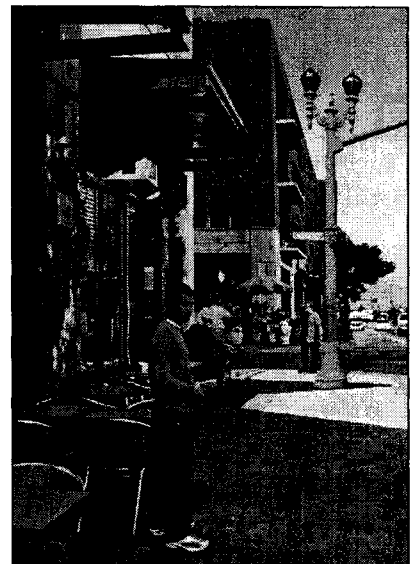
The natural progression of growth in the Southland during the past several decades has been to initially develop an area as a place for people to live who have either been priced out of the market where they work or are willing to commute farther in exchange for other housing or neighborhood amenities. This of course leads to an imbalance of too many households versus available jobs in the area. In the years that follow, manufacturing and professional jobs often move to these areas in response to both land price and the availability of workers.

A goods movement strategy that is designed to address the forecasted near tripling of freight coming in to the Southland over the next 25 years can play a vital role in enabling these employers to locate in these housing rich areas. It is therefore important when planning for the region's transit and highway corridors to also focus on logistics and goods movement.

Southern California is multi-centric. Creating efficient access and goods movement allows these centers to develop in a balanced fashion. Being locations for people to live, they also have the basic elements for prosperous job centers.



Before

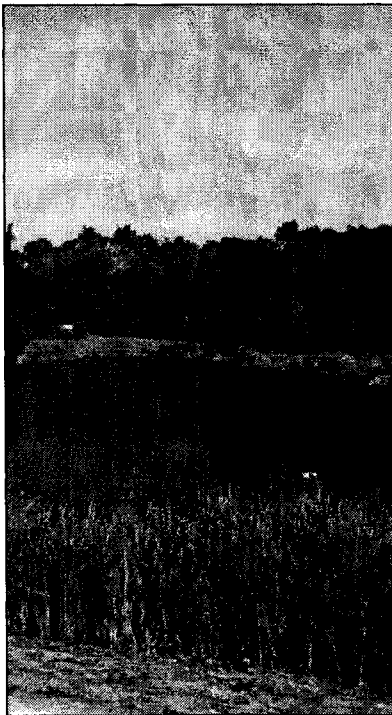
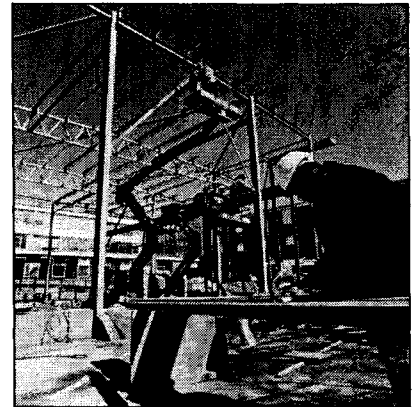


After

- **Implement the techniques outlined in the 2004 Regional Transportation Plan's privately funded projects.**

Jobs for people working in the middle class are not as available as they should be. State policies and changing demands on infrastructure from the increases in distribution are hindering the region's competitive advantage for manufacturing jobs. Addressing the infrastructure and location needs of manufacturing and distribution would allow for more people to have access to these jobs. This would enable people in that cohort to more readily afford homes.

Discussion has been initiated at the State level in regard to a manufacturing tax credit. SCAG could help to increase economic security by using the Vision to create empowerment zones where employers would reap benefits for providing family wage jobs to people living locally. This can also be an assistance tool for areas that have historically been overlooked by new investment.



- **Engage a study to look at how public investment such as transit facilities increase land value and what options may exist to use newly created wealth to increase opportunities for others and create more transit oriented developments.**

The increased value that comes with reinvestment in a specific area can often mean that existing families are priced out of housing, or that it is not feasible for the market to produce the needed affordable housing. Cities are further trapped in that funds provided by the developers for city creation of affordable housing have diminishing purchasing power with the success of the nearby developments. There may be avenues to explore whereby the public could in some form receive a part of the benefit from the increases in land value that result from the new projects that have been enabled by the public's funding of the transit improvements that have made those developments possible.

PRINCIPLE #4

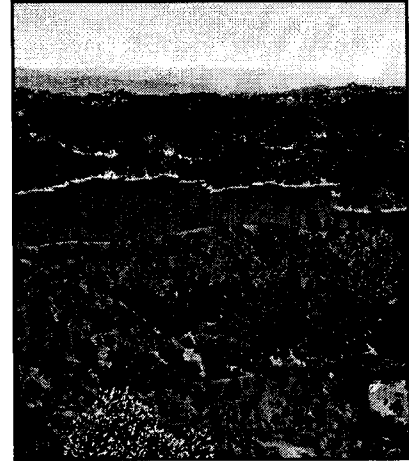
Promote sustainability for future generations

- ◆ Preserve rural, agricultural, recreational and environmentally sensitive areas
- ◆ Focus development in urban centers and existing cities
- ◆ Develop strategies to accommodate growth that use resources efficiently, eliminate pollution and significantly reduce waste
- ◆ Utilize “green” development techniques

Implementation Strategies

- **Integrate the many open space and habitat plans underway throughout the region into an Open Space element for the Growth Vision.**

Much significant work has been completed or is underway throughout the region. The open space component of the vision should be deemed equal in importance to components such as urban centers and infrastructure. Through collaboration, SCAG should assemble the many planning efforts into a standardized inventory that can both inform the Vision and provide lessons to other jurisdictions interested in performing similar analysis. This green infrastructure should in no way hinder a jurisdiction's ability to accommodate needed housing or jobs. Rather, they should be rewarded for the extra effort of ensuring sustainability for the Southland. This inventory should be used to monitor sustainability and livability goals and help neighboring cities to plan for open spaces in a coordinated fashion.



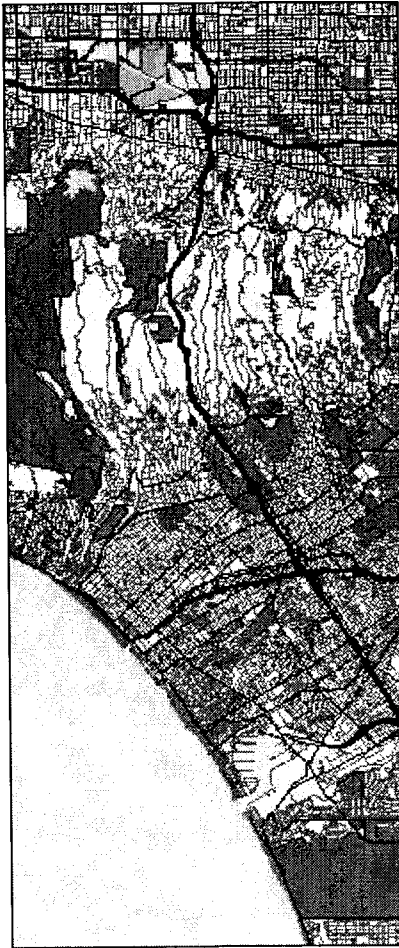
Open space is integral to the health of communities.

- **Offer training for elected leaders, planning officials, and the development community in green planning and design.**

As with planning for infill, handbooks, symposiums, and other education tools should be used to enable cities and counties to embrace the sustainable practices of green building. SCAG should act as a coordinating body to help the region determine a standard set of approaches. With SCAG helping to create these standards, the region's cities may face much less uncertainty at the State level as they work to implement the various techniques.

- **Identify or adopt a conflict resolution mechanism to assist with open space protection agreements already in place and work to enhance additional open space needs.**

SCAG can use its position as a regional leader to bring together the many interests that have a stake in protection or enhancement of open space. During regional planning activities, SCAG should factor in the need for preservation of open space and natural areas when determining growth projections and housing needs.



- **Cities and counties with a well-defined open space system or urban limit lines have a reputation for becoming desirable and expensive. Offer planning assistance and model ordinances that will help to preserve the environment and enable inclusionary housing practices and housing choice.**

Cities throughout the region grapple with deciding how to appropriately address growth for their community while preserving their cherished open space and productive agricultural areas. Some cities and counties, for example, have adopted urban limit lines or growth boundaries. These tools can be very successful; however, they can also lead to unintended consequences. As a coordinating body, SCAG can help to share the ‘best practices’ and lessons learned by cities that have employed these sprawl preventative measures. These tools can help ensure that the jurisdiction’s goals are met, and that they don’t run into the problems that might arise from these ideas. Cities across the country that have employed these preservation techniques have had to learn a few hard lessons before finally tuning the regulations to work as intended. By helping with these lessons learned, SCAG can help jurisdictions achieve their goals without facing the pitfalls that invariably come from trying something for the first time.

- **Calculate demand for water based on the Growth Vision projections and distribution.**

SCAG can bring the cities, counties, and water providers together to better coordinate the availability of water with projections and capacity calculations for housing and jobs throughout the region.